Nov. 4, 2004

Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contents

The next release is Nov. 12, '04

Nov. 7-8, '04	ASTA/WSA 50th Farm Seed Conference/Lawn Seed Conference	Kansas City, MO	703-837-9365
Nov. 13-16, '04	Transcomp 2004	San Antonio, TX	703-524-5011
Nov. 16-17, '04	National Conference of Agribusiness	West Lafayette, IN	765-494-4247
Nov. 16-19, '04	Canadian Seed Trade Association Semi-Annual Meeting	Ontario, Canada	703-837-8140
Nov. 23-25, '04	Second International Conference, "Grain Industries in the 21st Century"	Moscow, Russia	igr.fog@dol.ru
Nov. 29-30, '04	Canadian Seed Growers Association Maritime Branch-Annual Meeting	New Brunswick, Canada	613-236-0497
Nov. 30-Dec. 1, '04	1st Annual Nebraska Grains Conference	North Platte, NE	402-476-6174
Dec. 5-7, '04	National Grain and Feed Association (NGFA) Country Elevator/Feed Industry Council Meeting & Trade Show	Denver, CO	202-289-0873
Dec. 8-10, '04	ASTA 34th Soybean Seed/59th Corn & Sorghum Seed Conference and Seed Expo 2004	Chicago, IL	703-837-8140
Dec. 15, '04	U.S. Grains Council Board of Directors Meeting	Cancun, MX	202-789-0789
Jan. 9-12, '05	American Farm Bureau 86th Convention and Annual Meeting	Charlotte, NC	202-406-3600
Feb. 6-8, '05	U.S. Grains Council 45th Annual Membership Meeting	Huntington Beach, CA	202-789-0789
Feb. 26-Mar. 1, '05	Grain Elevator & Processing Society (GEAPS) 76th Annual Exchange	Albuquerque, NM	612-339-4625
Mar. 30-Apr.1, '05	National Grain and Feed Association (NGFA) 109th Annual Convention	San Diego, CA	202-289-0873 info@ngfa.org

Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail	Barge	Ocean: Gulf	Ocean: Pacific
11/03/04	148	315	205	270	281
Compared with last week	**unchanged**	↑	↓	↑	↓

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads ($/bushel)

Commodity	Origin--destination	10/29/2004	10/22/2004
Corn	IL--Gulf	-0.66	-0.64
Corn	NE--Gulf	-0.52	-0.48
Soybean	IA--Gulf	-0.84	-0.89
HRW	KS--Gulf	-0.95	-0.93
HRS	ND--Portland	-1.56	-1.58

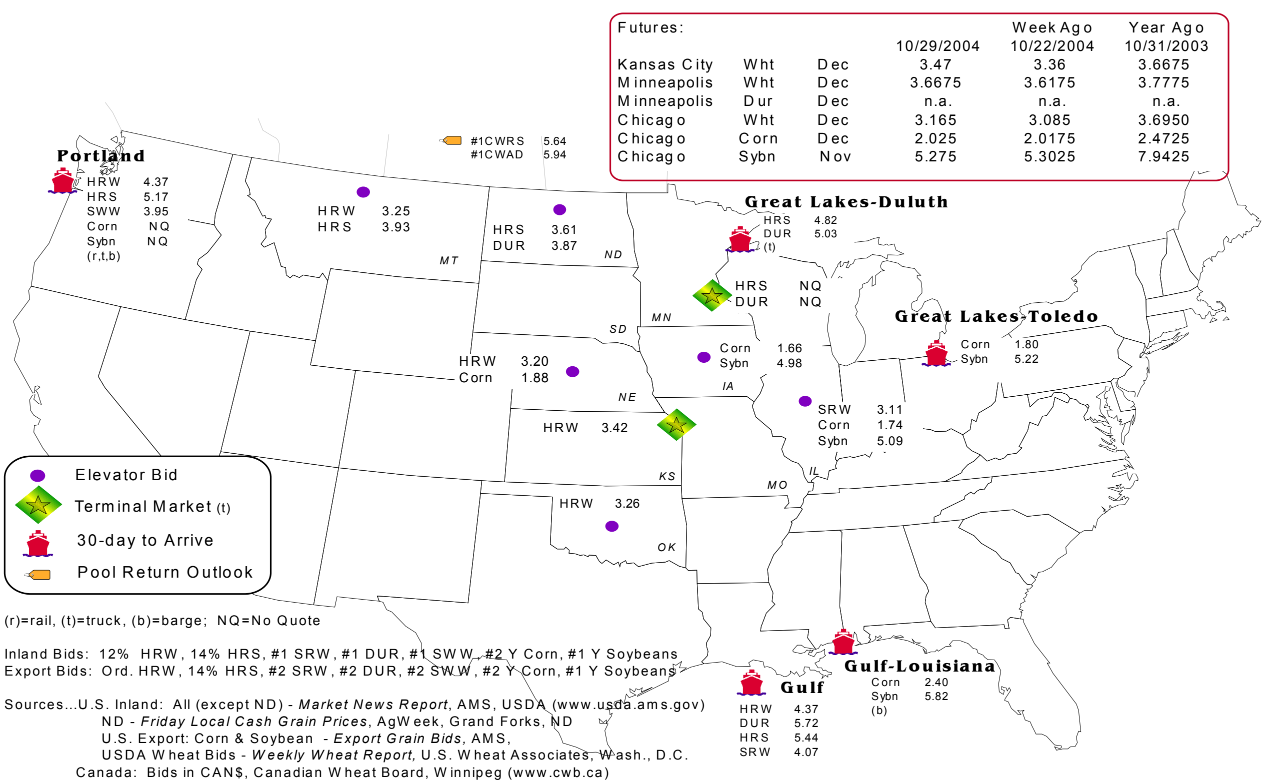
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

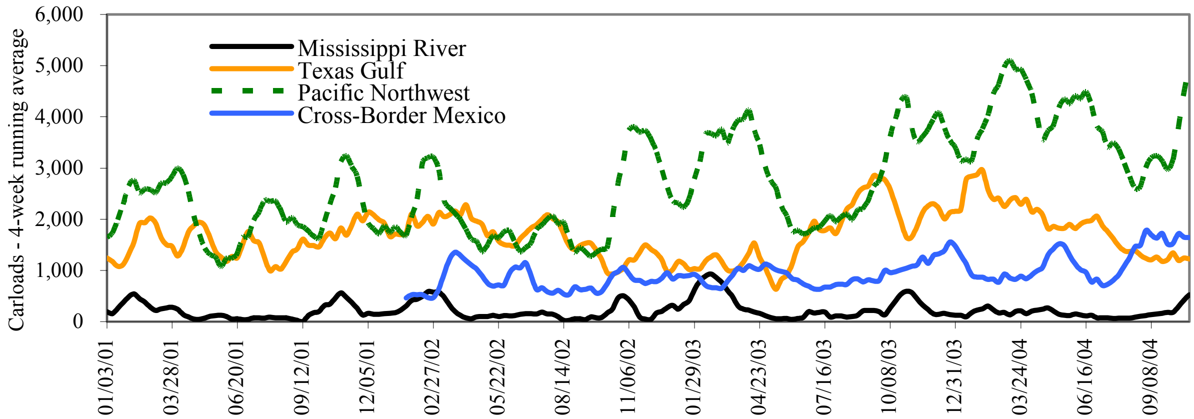
Week ending	Mississippi Gulf	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
10/27/2004 [p]	560	1,209	1,438	4,998	534	8,739
10/20/2004 [r]	701	1,036	1,619	5,349	205	8,910
2004 YTD	8,133	79,503	50,103	168,227	6,463	312,429
2003 YTD	12,903	69,120	36,563	122,131	13,217	253,934
2004 as % of 2003	63	115	137	138	49	123
Total 2003**	14,843	88,194	48,805	157,125	20,509	329,476
Total 2002	12,247	83,945	40,867	110,471	20,938	268,468

(*) Incomplete Data, as of 9/22/04, Cross-Border movements included; (**) Excludes 53rd week;YTD = year-to-date; p = preliminary data; r = revised data

Source: Transportation & Marketing Programs/AMS/USDA

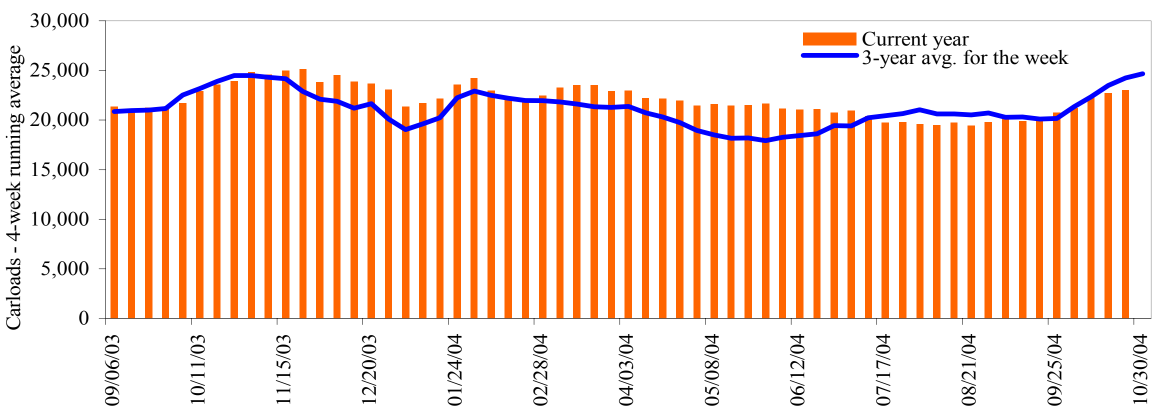
Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3
Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
10/23/04	2,913	3,394	10,166	728	6,050	23,251	4,402	4,152
This week last year	3,981	3,891	9,315	371	6,402	23,960	4,821	4,013
2004 YTD	114,081	136,009	367,002	22,401	269,765	909,258	189,378	164,874
2003 YTD	114,652	135,480	323,079	18,001	271,259	862,471	152,377	155,147
2004 as % of 2003	100	100	114	124	99	105	124	106
Total 2003*	146,395	171,260	416,371	24,506	336,079	1,094,611	197,993	198,185

Source: Association of American Railroads (www.aar.org); YTD = year-to-date; * Excludes 53rd week

Table 5--Rail car auction offerings, week ending 10/30/04 ($/car)*

Delivery for:	Dec. 04	Jan. 05	Feb. 05
BNSF[1]			
COT/N. grain	$136	$123	$106
COT/S. grain	$176	$122	$122
UP[2]			
GCAS/Region 1	no offer	$119	no offer
GCAS/Region 2	no offer	$322	no offer

*Average premium/discount to tariff, last auction

[1]BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

[2]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

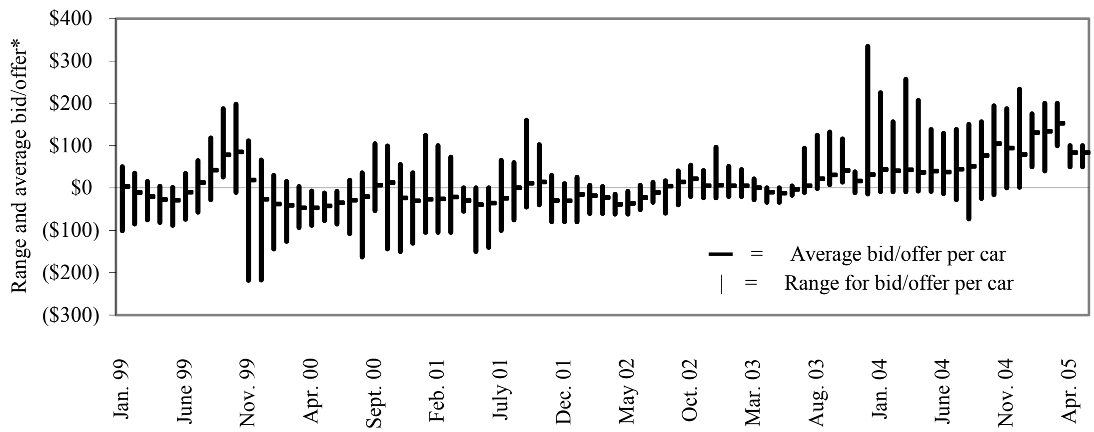
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service or tariff for nonguaranteed service or through the secondary market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 10/29/04 ($/car)*

	Delivery period			
	Dec. 04	**Jan. 05**	**Feb. 05**	**Mar. 05**
BNSF-GF	$206	$175	$100	$100
Change from last week	$100	$25	-$50	-$50
UP-Pool	$233	$175	$200	$200
Change from last week	$52	$8	$12	$12

*Average premium/discount to tariff, $/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments*

Effective date: 11/1/2004	Origin	Destination	Rate/car	Rate/metric ton	Rate/bushel**
Unit train*					
Wheat	Minneapolis, MN	Houston, TX	$2,120	$23.37	$0.64
	Kansas City, MO	Galveston, TX	$1,920	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$4,148	$45.72	$1.24
	St. Louis, MO	Houston, TX	$2,095	$23.09	$0.63
	Kansas City, MO	Laredo, TX	$2,380	$26.23	$0.71
	Chicago, IL	Albany, NY	$1,834	$20.22	$0.55
	Chicago, IL	Richmond, VA	$2,002	$22.07	$0.60
Corn	Minneapolis, MN	Portland, OR	$3,600	$39.68	$1.01
	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.77
	Council Bluffs, IA	Baton Rouge, LA	$2,270	$25.02	$0.64
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.50
	Council Bluffs, IA	Stockton, CA	$3,606	$39.75	$1.01
	Kansas City, MO	Dalhart, TX	$1,965	$21.66	$0.55
	Columbus, OH	Raleigh, NC	$1,700	$18.74	$0.48
	Des Moines, IA	Laredo, TX	$2,930	$32.30	$0.82
Soybeans	Minneapolis, MN	Portland, OR	$3,610	$39.79	$1.08
	Chicago, IL	Baton Rouge, LA	$2,736	$30.16	$0.82
	Council Bluffs, IA	Baton Rouge, LA	$2,799	$30.85	$0.84
	Des Moines, IA	Laredo, TX	$2,930	$32.30	$0.88
	Evansville, IN	Raleigh, NC	$1,791	$19.74	$0.54
	Chicago, IL	Raleigh, NC	$2,391	$26.36	$0.72
Shuttle Train*					
Wheat	St. Louis, MO	Houston, TX	$1,895	$20.89	$0.57
	Minneapolis, MN	Portland, OR	$3,993	$44.01	$1.20
Corn	Fremont, NE	Houston, TX	$2,665	$29.38	$0.75
	Minneapolis, MN	Portland, OR	$3,450	$38.03	$0.97
Soybeans	Council Bluffs, IA	Houston, TX	$2,605	$28.71	$0.73
	Minneapolis, MN	Portland, OR	$3,410	$37.59	$0.95

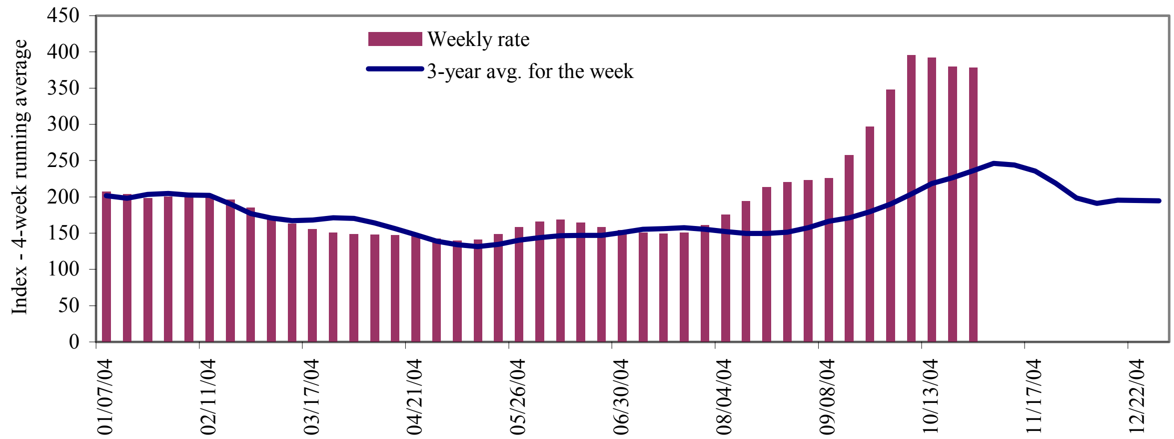
*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market** bids are indicators of grain transport supply and demand.

Table 8--Barge rate quotes: southbound barge freight

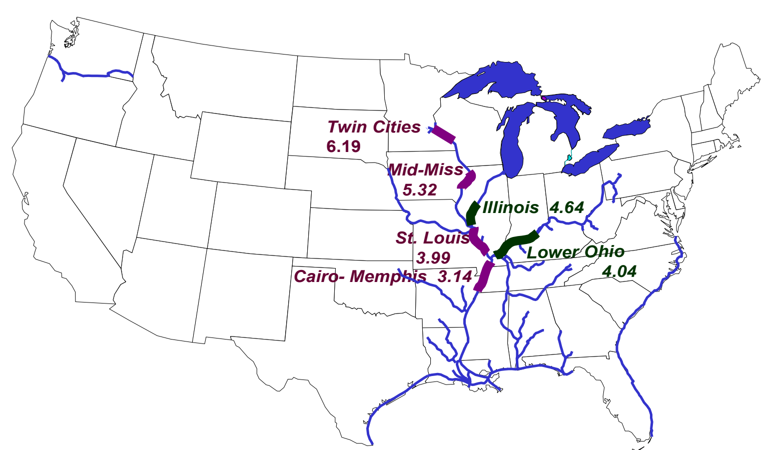
Location	10/27/2004	10/20/2004	Nov '04	Jan '05
Twin Cities	382	322	359	0
Mid-Mississippi	396	333	325	0
Illinois River	423	333	323	265
St. Louis	368	277	274	198
Lower Ohio	368	301	313	216
Cairo-Memphis	276	238	248	185

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Benchmark tariff rates



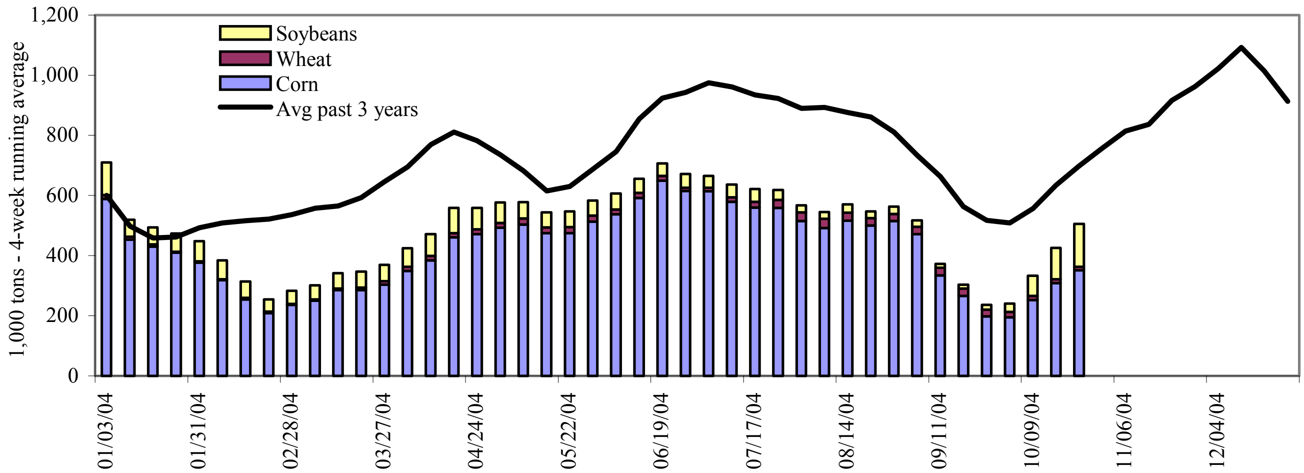
Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 7

Barge movements on the Mississippi River (Lock 27 - Granite City, IL)



Source: Transportation & Marketing Programs/AMS/USDA

Table 9--Barge grain movements (1,000 tons)

Week ending 10/23/2004	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	71	3	63	0	137
Winfield, MO (L25)	155	2	114	0	271
Alton, IL (L26)	391	6	173	0	571
Granite City, IL (L27)	374	11	171	0	555
Illinois River (L8)	176	8	31	0	215
Ohio River (L52)	64	3	102	21	190
Arkansas River (L1)	0	10	14	0	24
2004 YTD	20,747	2,422	3,890	624	27,682
2003 YTD	23,196	2,417	6,773	604	32,991
2004 as % of 2003 YTD	89	100	57	103	84
Total 2003	29,898	2,787	9,146	695	42,526

YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1. "Other" refers to oats, barley, sorghum, and rye.

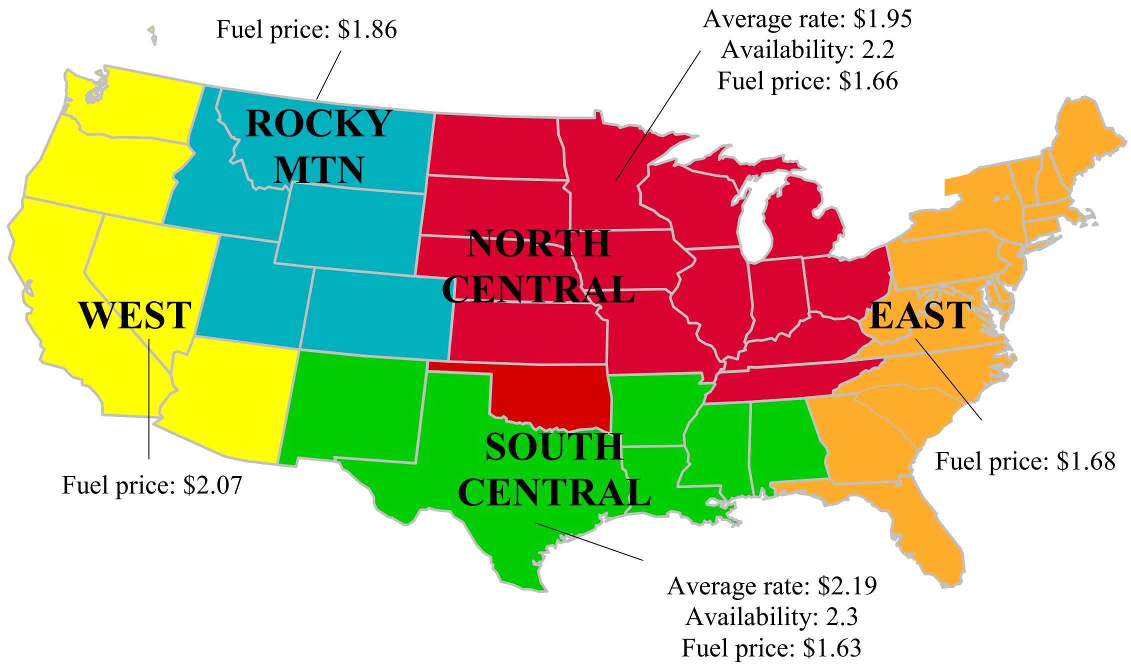
Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8

U.S. grain truck market advisory, 2nd quarter 2004*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles
Note: Fuel prices are a quarterly average (unit per gallon)
Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 10--U.S. grain truck market overview, 2nd quarter 2004

Region/commodity*	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
				Rating compared to same quarter last year		
		Rate per mile		1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average[1]	**2.99**	**1.98**	**1.73**	**2.2**	**3.1**	**3.2**
North Central region[2]	2.51	1.79	1.54	2.2	3.1	3.2
Corn	2.68	2.08	1.75	2.3	3.5	3.3
Wheat	2.18	1.53	1.36	2.0	2.9	3.0
Soybean	2.68	2.08	1.75	2.3	3.3	3.3
South Central region[2]	2.95	1.87	1.75	2.3	3.0	3.3
Corn	2.95	1.87	1.75	2.3	3.0	3.3
Wheat	n/a	n/a	n/a	2.0	3.0	3.0
Soybean	3.83	2.25	2.13	2.3	3.0	3.5

Rates are based on trucks with 80,000 lb weight limit

*Commodity averages based on truck rates for top producing states based on National Agricultural Statistics Service/USDA

[1]National average includes: AR, CO, IA, IL, IN, KS, LA, MN, MS, ND, NE, OH, OK, OR, SD, TX, and WA.

[2]Commodity rates per mile include the average of the top 3 producing states within the region.

Source: Transportation and Marketing Programs/AMS/USDA

The weekly **diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11--Retail on-highway diesel prices*, week ending 11/01/04 (US$/gallon)

			Change from	
Region	**Location**	**Price**	**Week ago**	**Year ago**
I	East Coast	2.212	-0.001	0.739
	New England	2.330	0.001	0.746
	Central Atlantic	2.307	-0.002	0.721
	Lower Atlantic	2.161	0.000	0.746
II	Midwest	2.172	-0.013	0.694
III	Gulf Coast	2.147	0.003	0.722
IV	Rocky Mountain	2.276	-0.002	0.734
V	West Coast	2.370	-0.010	0.794
	California	2.431	-0.006	0.800
Total	U.S.	2.206	-0.006	0.725

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Grain Exports

Table 12--U.S. export balances (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending 1/	HRW	SRW	HRS	SWW	DUR	All wheat			
10/21/2004	1,650	519	1,371	995	105	4,640	8,532	8,598	21,770
This week year ago	2,048	353	970	571	117	4,059	9,634	10,867	24,560
Cumulative exports-crop year 2/									
2004/05 YTD	3,950	1,942	3,354	2,045	262	11,553	6,558	3,690	21,801
2003/04 YTD	4,793	1,715	2,821	1,759	541	11,628	6,476	3,513	21,617
2004/05 as % of 2003/04	82	113	119	116	48	99	101	105	101
2003/04 Total	12,697	3,785	6,928	4,889	1,053	29,353	47,704	24,102	101,159
2002/03 Total	6,896	2,899	6,645	3,517	720	20,677	39,646	28,908	89,231

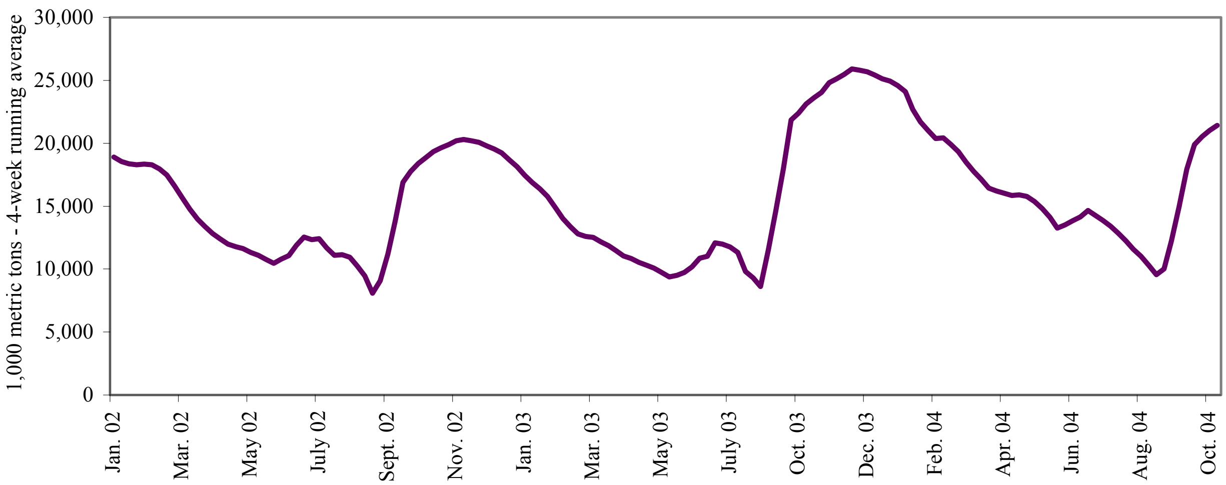
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current outstanding unshipped export sales to date

2/ = New crop year in effect for corn and soybean sales

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balances (wheat, corn, and soybean sales)



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
10/28/04	394	37	406	107	482	894	110	0	0	837	1,484	111
2004 YTD	10,251	8,288	3,123	6,372	27,046	9,935	6,907	52	18	21,663	43,353	6,978
2003 YTD	7,538	4,427	3,741	5,214	25,219	14,130	5,592	83	44	15,706	44,562	5,719
2004 as % of 2003	136	187	83	122	107	70	124	62	42	138	97	122
2003 Total	8,764	5,450	5,141	5,883	30,903	19,374	7,011	229	69	19,355	56,160	7,309

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa); YTD: year-to-date

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Over 60 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2003.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)

Source: Federal Grain Inspection Service/USDA (www.usda.gov/gipsa)

Ocean Transportation

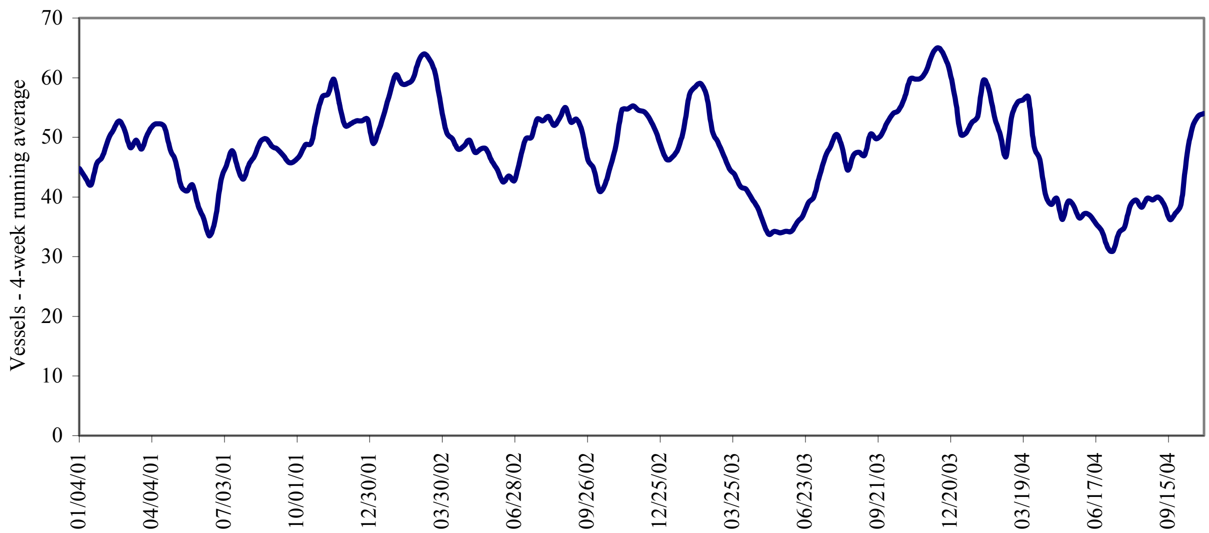
Table 14--Weekly port region grain ocean vessel activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
10/28/2004	27	50	71	7	8
10/21/2004	30	50	81	13	10
2003 range	(11..47)	(30..76)	(39..93)	(3..13)	(1..15)
2003 avg.	31	49	62	9	6

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



Source: Transportation & Marketing Programs/AMS/USDA

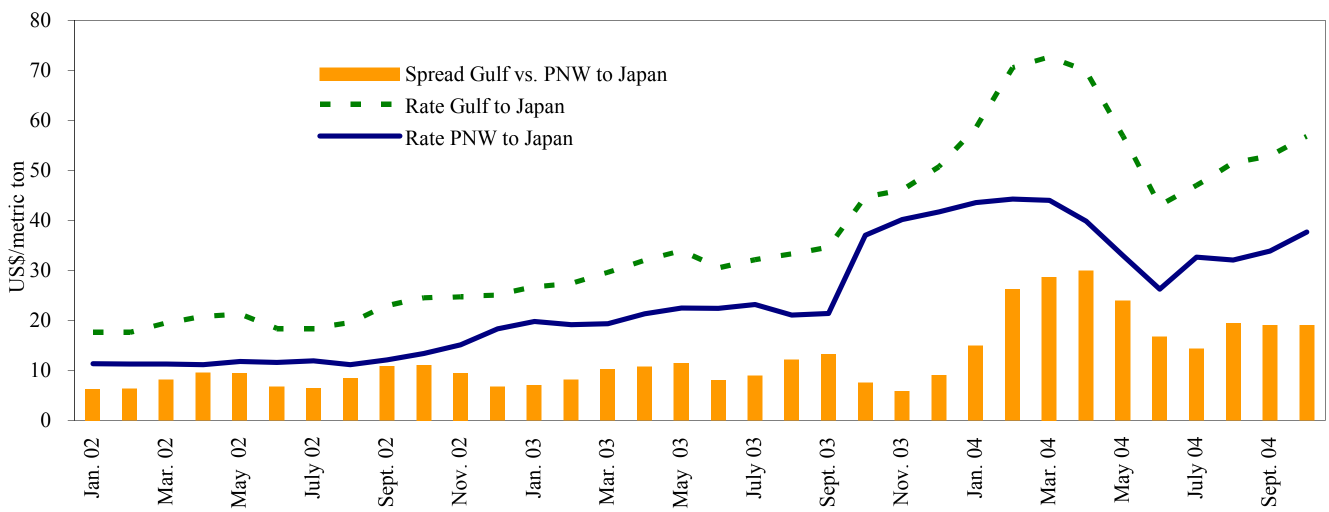
Table 15--Quarterly ocean freight rates (average rates & percentage changes) (US$/metric ton)

Countries/ regions	2004 3rd qtr	2003 3rd qtr	Percent change	Countries/ regions	2004 3rd qtr	2003 3rd qtr	Percent change
Gulf to				**Pacific NW to**			
Japan	$50.08	$33.83	48	Japan	$37.00	---	---
China	$54.00	$34.00	59				
N. Europe	---	$22.88	---	**Argentina/Brazil to**			
N. Africa	---	$25.50	---	Med. Sea	$46.92	$24.50	92
Med. Sea	---	$24.88	---	China	---	$34.75	---

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

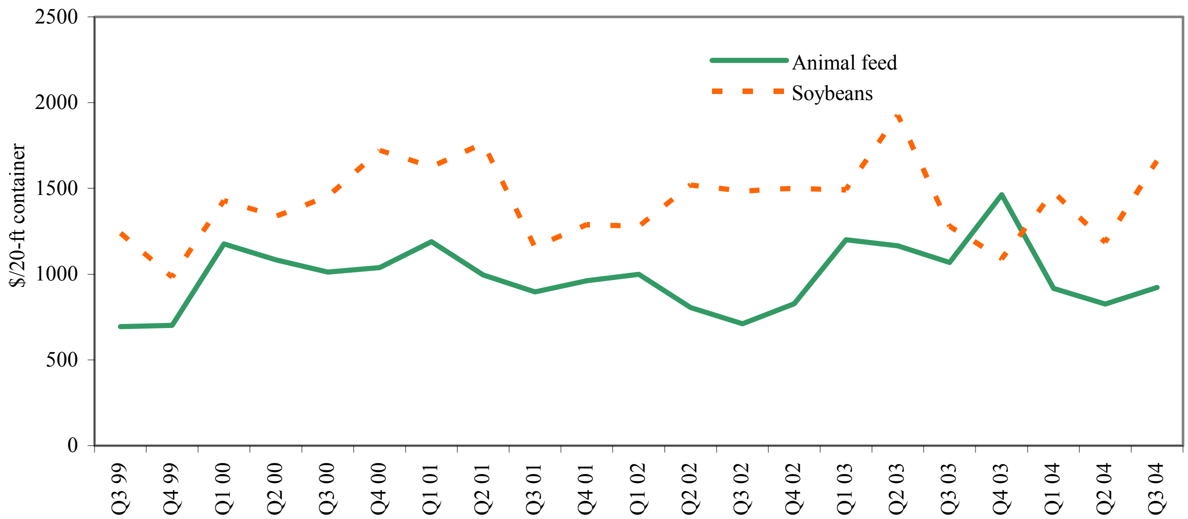
Table 16--Ocean freight rates for selected shipments, week ending 10/30/04

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate ($/metric ton)
U.S. Gulf	Ecuador*	Wheat	Nov 15/25	21,000	52.93
U.S. Gulf	Japan	Hvy Grain	Nov 25/30	54,000	59.00
U.S. Gulf	Algeria	Corn & Meals	Oct 24/26	20,000	54.75
U.S. Gulf	China	Hvy Grain	Oct 25/31	57,000	52.25
U.S. Gulf	China	Hvy Grain	Nov 1/10	55,000	57.50
U.S. Gulf	China	Hvy Grain	Nov 5/15	57,000	55.00
U.S. Gulf	El Salvador*	Wheat	Oct 10/20	26,000	57.25

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates[1] for containerized shipments of animal feed and soybeans to selected Asian countries



[1]Animal Feed: Busan-Korea (15%), Kaohsiung-Taiwan (21%), Tokyo-Japan (39%), Hong Kong (22%), Bangkok-Thailand (3%) and soybeans: Busan-Korea (5%), Keelung-Taiwan (31%), Tokyo-Japan (64%)

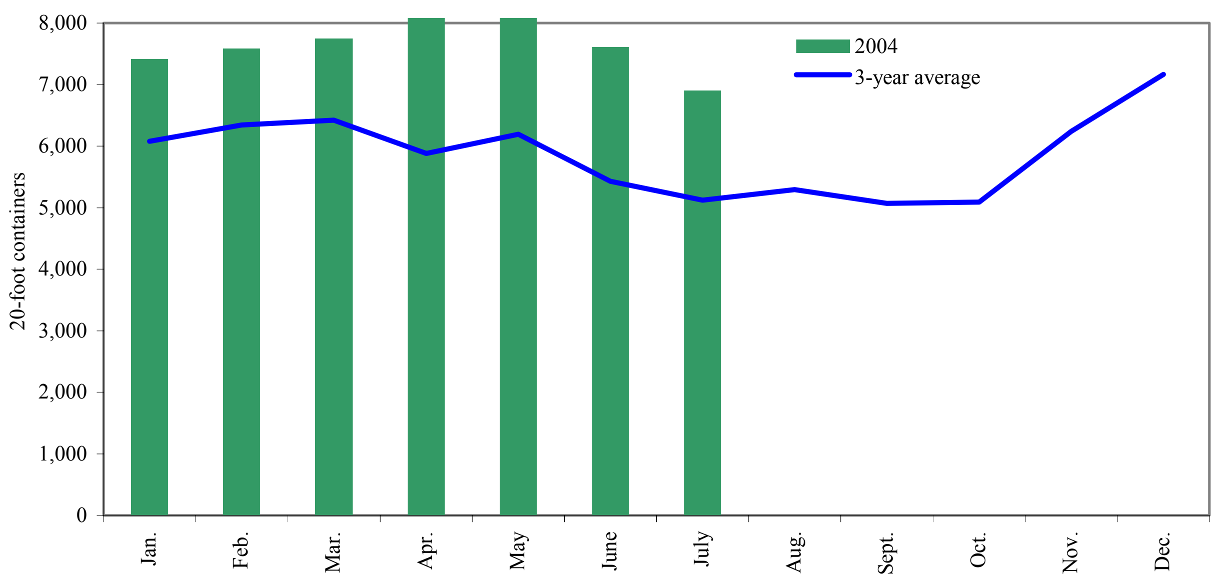
Quarter 3, 2004.

Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

Figure 14

Monthly shipments of containerized grain for 2004 compared with a 3-year average



Note: PIERS data is available with a lag of approximately 40 days

Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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Related Websites

Agricultural Container Indicators	http://www.ams.usda.gov/tmd2/agci/
Ocean Rate Bulletin	http://www.ams.usda.gov/tmd/Ocean/index.asp